

State of Arizona
House of Representatives
Forty-fifth Legislature
Second Regular Session
2002

HOUSE CONCURRENT RESOLUTION 2002

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA; RELATING TO SCHOOL AND COMMUNITY COLLEGE DISTRICT EXPENDITURE LIMITATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it resolved by the House of Representatives of the State of Arizona, the
2 Senate concurring:

3 1. Article IX, section 21, Constitution of Arizona, is proposed to be
4 amended as follows if approved by the voters and on proclamation of the
5 Governor:

6 21. Expenditure limitations for school districts and
7 community college districts

8 Section 21. (1) The economic estimates commission shall
9 determine and publish prior to April 1 of each year the
10 expenditure limitation for the following fiscal year for each
11 community college district. The expenditure limitations shall
12 be determined by adjusting the amount of expenditures of local
13 revenues for each such district for fiscal year 1979-1980 to
14 reflect the changes in the student population of each district
15 and the cost of living. The governing board of any community
16 college district shall not authorize expenditures of local
17 revenues in excess of the limitation prescribed in this section,
18 except in the manner provided by law.

19 (2) The economic estimates commission shall determine and
20 publish prior to May 1 of each year the aggregate expenditure
21 limitation for all school districts for the following fiscal
22 year. The aggregate expenditure limitation shall be determined
23 by adjusting the total amount of expenditures of local revenues
24 for all school districts for fiscal year 1979-1980 to reflect
25 the changes in student population in the school districts and
26 the cost of living, and multiplying the result by 1.10. The
27 aggregate expenditures of local revenues for all school
28 districts shall not exceed the limitation prescribed in this
29 section, except as provided in subsection (3) of this section.

30 (3) Expenditures in excess of the limitation determined
31 pursuant to subsection (2) of this section may be authorized BY
32 THE LEGISLATURE for a single fiscal year, BY CONCURRENT
33 RESOLUTION, upon affirmative vote of two-thirds of the
34 membership of each house of the legislature.

35 (4) As used in this section:

36 (a) "Cost of living" means either:

37 (i) The price of goods and services as measured by the
38 implicit price deflator for the gross national product or its
39 successor as reported by the United States department of
40 commerce, or its successor agency.

41 (ii) A different measure or index of the cost of living
42 adopted at the direction of the legislature, by concurrent
43 resolution, upon affirmative vote of two-thirds of the
44 membership of each house of the legislature. Such measure or
45 index shall apply for subsequent fiscal years, except it shall

1 not apply for the fiscal year following the adoption of such
2 measure or index if the measure or index is adopted after March
3 1 of the preceding fiscal year.

4 (b) "Expenditure" means any amounts budgeted to be paid
5 from local revenues as prescribed by law.

6 (c) "Local revenues" includes all monies, revenues,
7 funds, property and receipts of any kind whatsoever received by
8 or for the account of a school DISTRICT or community college
9 district or any of its agencies, departments, offices, boards,
10 commissions, authorities, councils and institutions, except:

11 (i) Any amounts or property received from the issuance or
12 incurrence of bonds, or other lawful long-term obligations
13 issued or incurred for a specific purpose, or any amounts or
14 property collected or segregated to make payments or deposits
15 required by a contract concerning such bonds or
16 obligations. For the purpose of this subdivision long-term
17 obligations shall not include warrants issued in the ordinary
18 course of operation or registered for payment by a political
19 subdivision.

20 (ii) Any amounts or property received as payment of
21 dividends and interest, or any gain on the sale or redemption of
22 investment securities, the purchase of which is authorized by
23 law.

24 (iii) Any amounts or property received by a school
25 DISTRICT or community college district in the capacity of
26 trustee, custodian or agent.

27 (iv) Any amounts received as grants and aid of any type
28 received from the federal government or any of its agencies
29 except school assistance in federally affected areas.

30 (v) Any amounts or property received as grants, gifts,
31 aid or contributions of any type except amounts received
32 directly or indirectly in lieu of taxes received directly or
33 indirectly from any private agency or organization, or any
34 individual.

35 (vi) Any amounts received from the state for the purpose
36 of purchasing land, buildings or improvements or constructing
37 buildings or improvements.

38 (vii) Any amounts received pursuant to a transfer during
39 a fiscal year from another agency, department, office, board,
40 commission, authority, council or institution of the same
41 community college DISTRICT or school district which were
42 included as local revenues for such fiscal year or which are
43 excluded from local revenue under other provisions of this
44 subsection.

1 (viii) Any amounts or property accumulated by a community
2 college district for the purpose of purchasing land, buildings
3 or improvements or constructing buildings or improvements.

4 (ix) Any amounts received in return for goods or services
5 pursuant to a contract with another political subdivision,
6 school district, community college district or the state and
7 expended by the other political subdivision, school district,
8 community college district or the state pursuant to the
9 expenditure limitation in effect when the amounts are expended
10 by the other political subdivision, school district, community
11 college district or the state.

12 (x) Any amounts received as tuition or fees directly or
13 indirectly from any public or private agency or organization or
14 any individual.

15 (xi) Any ad valorem taxes received pursuant to an
16 election to exceed the limitation prescribed by section 19 of
17 this article or for the purposes of funding expenditures in
18 excess of the expenditure limitations prescribed by subsection
19 (7) of this section.

20 (xii) Any amounts received during a fiscal year as
21 refunds, reimbursements or other recoveries of amounts expended
22 which were applied against the expenditure limitation for such
23 fiscal year or which were excluded from local revenues under
24 other provisions of this subsection.

25 (d) For the purpose of subsection (2) of this section,
26 the following items are also excluded from local revenues OF
27 SCHOOL DISTRICTS:

28 (i) Any amounts received as the proceeds from the sale,
29 lease or rental of school property as authorized by law.

30 (ii) Any amounts received from the capital levy as
31 authorized by law.

32 (iii) Any amounts received from the acquisition,
33 operation, or maintenance of school services of a commercial
34 nature which are entirely or predominantly self-supporting.

35 (iv) Any amounts received for the purpose of funding
36 expenditures authorized in the event of destruction of or damage
37 to the facilities of a school district as authorized by law.

38 (v) ANY REVENUES DERIVED FROM AN ADDITIONAL STATE
39 TRANSACTION PRIVILEGE TAX RATE INCREMENT FOR EDUCATIONAL
40 PURPOSES THAT WAS AUTHORIZED BY THE VOTERS BEFORE JANUARY 1,
41 2001.

42 (vi) ANY AMOUNTS RECEIVED PURSUANT TO ARTICLE XI, SECTION
43 8, CONSTITUTION OF ARIZONA, THAT ARE APPROVED BY THE MAJORITY OF
44 QUALIFIED VOTERS AT A STATEWIDE GENERAL ELECTION HELD AFTER
45 NOVEMBER 1, 2002, AND BEFORE JANUARY 1, 2003.

1 (e) "Student population" means the number of actual,
2 full-time or the equivalent of actual full-time students
3 enrolled in the school district or community college district
4 determined in a manner prescribed by law.

5 (5) The economic estimates commission shall adjust the
6 amount of expenditures of local revenues in fiscal year
7 1979-1980, as used to determine the expenditure limitation
8 pursuant to subsections SUBSECTION (1) and OR (2) of this
9 section, to reflect subsequent transfers of all or any part of
10 the cost of providing a governmental function, in a manner
11 prescribed by law. The adjustment provided for in this
12 subsection shall be used in determining the expenditure
13 limitation pursuant to subsections SUBSECTION (1) and OR (2) of
14 this section beginning with the fiscal year immediately
15 following the transfer.

16 (6) The economic estimates commission shall adjust the
17 amount of expenditures of local revenues in fiscal year
18 1979-1980, as used to determine the expenditure limitation OF A
19 COMMUNITY COLLEGE DISTRICT pursuant to subsection (1) of this
20 section, to reflect any subsequent annexation, creation of a new
21 district, consolidation or change in the boundaries of a
22 district, in a manner prescribed by law. The adjustment
23 provided for in this subsection shall be used in determining the
24 expenditure limitation pursuant to subsection (1) of this
25 section beginning with the fiscal year immediately following the
26 annexation, creation of a new district, consolidation or change
27 in the boundaries of a district.

28 (7) The legislature shall establish by law expenditure
29 limitations for each school district beginning with the fiscal
30 year beginning July 1, 1980. Expenditures by a school district
31 in excess of such an expenditure limitation must be approved by
32 a majority of the electors voting on the excess expenditures.

33 (8) The legislature shall establish by law a uniform
34 reporting system for SCHOOL DISTRICTS AND COMMUNITY COLLEGE
35 districts to insure ENSURE compliance with this section. The
36 legislature shall establish by law sanctions and penalties for
37 failure to comply with this section.

38 ~~(9) This section is not effective for any community~~
39 ~~college district until the fiscal year beginning July 1, 1981.~~

40 ~~(10) Subsections (2), (3), (5) and (6) of this section do~~
41 ~~not apply to school districts until the fiscal year beginning~~
42 ~~July 1, 1981.~~

43 2. The Secretary of State shall submit this proposition to the voters
44 at the next general election as provided by article XXI, Constitution of
45 ~~PASSED BY THE HOUSE MAY 16, 2002.~~

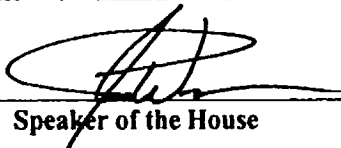
~~PASSED BY THE SENATE APRIL 30, 2002~~

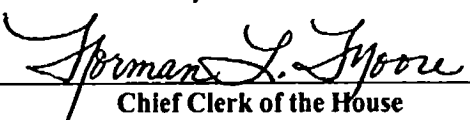
~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 16, 2002.~~

Passed the House April 10, 2002

by the following vote: 50 Ayes

6 Nays, 4 Not Voting


Speaker of the House



Chief Clerk of the House

Passed the Senate April 30, 2002

by the following vote: 27 Ayes

0 Nays, 3 Not Voting


President of the Senate


Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Resolution was received by the Secretary of State

this _____ day of _____, 20 _____

at _____ o'clock _____ M.

Secretary of State

H.C.R. 2002

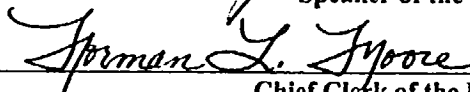
HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 16, 2002,

by the following vote: 50 Ayes,

7 Nays, 3 Not Voting

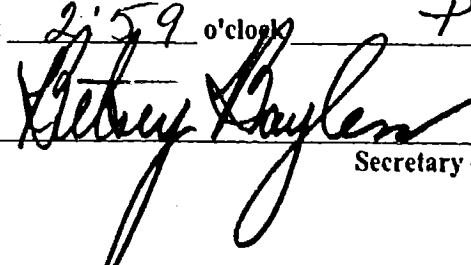

Speaker of the House


Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 16 day of May, 2002

H.C.R. 2002

at 2:59 o'clock P. M.

Secretary of State